CANADIAN INTERGOVERNMENTAL CONFERENCE SECRETARIAT

2006-2007

PERFORMANCE REPORT

The Honourable Rona Ambrose
President of the Queen's Privy Council for Canada
Minister of Intergovernmental Affairs and Minister
of Western Economic Diversification

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SECTION I – OVERVIEW

Agency Head's Message

The multilateral intergovernmental conference is a key component of the Canadian federation. It is an instrument for consultation, coordination, negotiation and agreement among federal, provincial and territorial governments.

The Canadian Intergovernmental Conference Secretariat (CICS) was established pursuant to an agreement reached at the May 1973 First Ministers' Conference. It is an agency of both the federal and provincial governments that provides administrative services for the planning and conduct of senior level federal-provincial-territorial and provincial-territorial conferences held throughout Canada.

The objective of the program is to relieve client departments, in virtually all sectors of government activity, of the numerous technical and administrative tasks associated with the planning and conduct of such conferences, thereby enabling them to concentrate on the substantive issues.

In addition to the increasingly important cost efficiencies and the significant economies of scale, which governments can achieve through the utilization of CICS, the Secretariat also offers the advantages of confidentiality, continuity, neutrality and expertise in the planning and organizing of high level intergovernmental meetings in Canada.

In 2006-2007, the Secretariat provided services to 115 senior level conferences which were held in every region of the country. Included in the above are 2 Premiers, 52 Ministerial and 61 Deputy Ministerial meetings. Of these conferences, 76 were federal-provincial-territorial and 39 were provincial-territorial. The month of June was our busiest month in fiscal year 2006-2007 with 23 conferences served followed closely by September and February with 17 meetings served respectively.

André M. McArdle
Secretary

Management Representation Statement

I submit for tabling in Parliament, the 2006-2007 Departmental Performance Report for the Canadian Intergovernmental Conference Secretariat.

This document has been prepared based on the reporting principles contained in the *Guide for the Preparation of Part III of the 2006-2007 Estimates: Reports on Plans and Priorities and Departmental Performance Reports:*

- It adheres to the specific reporting requirements outlined in the Treasury Board Secretariat (TBS) guidance;
- It is based on the department's approved Program Activity Architecture structure as reflected in its Management Resources and Results Structure (MRRS);
- It presents consistent, comprehensive, balanced and reliable information;
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- It reports finances based on approved planned spending numbers from the Treasury Board Secretariat in the Report on Plans and Priorities (RPP).

Mara Indri-Skinner
Assistant Secretary

Summary Information

Raison d'être

The Canadian Intergovernmental Conference Secretariat (CICS) was established pursuant to an agreement reached at the May 1973 First Ministers' Conference and designated a department of the federal government by an Order-in-Council dated November 29, 1973. Its one-program and one-activity mandate is to provide administrative services for the planning and conduct of First Ministers, Ministers and Deputy Ministers level federal-provincial-territorial and provincial-territorial conferences.

The CICS is an agency of both the federal and provincial governments and, as such, acts as a neutral intergovernmental body. Its budget is supported by both orders of government and its staff includes both federal and provincial public servants. The Secretary reports to all governments annually. The operations are reviewed by federal and provincial senior officials designated by their respective First Ministers. The CICS reports to Parliament through the President of the Queen's Privy Council for Canada.

Total Financial Resources for the Agency ($ millions)
2006-2007

Planned Spending	Total Authorities	Actual Spending
6.4	6.4	5.4

Total Human Resources for the Agency
2006-2007

Planned Spending	Total Authorities	Actual Spending
31	36	32

Summary of Performance in Relationship to Departmental Strategic Outcomes ($ millions)
2006-2007

Strategic Outcome / Priorities	Type	Planned Spending	Actual Spending	Expected Results and Current Status
Plan, conduct, and serve 110-120 intergovernmental conferences at the most senior levels in response to requests by governments	Ongoing	6.4	5.4	115 Senior level intergovernmental conferences were served

Overall Agency Performance

The 2006-2007 fiscal year was a busy and challenging one for the Canadian Intergovernmental Conference Secretariat (CICS). Requests for CICS services were received from numerous sectors of intergovernmental activities, allowing the agency to maintain its seven-year average service delivery record of supporting over one hundred senior level intergovernmental conferences per year.

Conference Highlights:

CICS provided its services to one hundred and fifteen senior level intergovernmental conferences in 2006-2007. Of these meetings, two were held at the level of Premiers and Territorial Leaders:

- the 2006 Western Premiers' Conference, hosted by Manitoba from May 29 to May 31, 2006 in Gimli, Manitoba;
- the 30th Annual Conference of New England Governors and Eastern Canadian Premiers, hosted by the State of Rhode Island and co-chaired with the province of Prince Edward Island which was held on May 11, 2006 to May 13, 2006 in Newport, Rhode Island.

Number of Conferences Served:

The environment under which CICS operated in 2006-2007 was particularly challenging. There was a significant increase in events. The implications for CICS was an increase from 100 events in 2005-2006 to 115 events in 2006-2007, representing a 15% increase in the provision of conference support services.

Of the many conferences served, 45 percent where at the Ministerial level and 53 percent were at the Deputy Ministerial level. It is particularly worth noting that of the many conferences served, a growing number of them, 17 percent, were held in the territories.

For further performance statistics on conferences, the reader is encouraged to review SECTION IV – Other Items of Interest – Conference Related Statistics.

Human Resource Management

A large number of public servants, both at the federal and provincial/territorial levels are expected to retire over the next decade and will need to be replaced. Competition for talent with the private sector and amongst governments is expected to intensify. As an agency of both the federal and provincial governments, drawing staff from both federal and provincial/territorial public servants, CICS will need to respond to these challenges in order to attract, retain and develop the people it needs, and to maintain a healthy and productive work place to serve the Canadian intergovernmental conference environment.

SECTION II – ANALYSIS OF PROGRAM ACTIVITIES BY STRATEGIC OUTCOME

Detailed Analysis of Performance

Strategic Outcome: Multilateral intergovernmental meetings of First Ministers, Ministers and Deputy Ministers are planned and conducted flawlessly.

Program Activity Name: Canadian Intergovernmental Conference Secretariat

Program Activity Description:

Provision of expert, impartial support services for the planning and conduct of First Ministers, Ministers and Deputy Ministers level federal-provincial-territorial and provincial-territorial conferences.

Total Financial Resources for the Agency ($ millions)
2006-2007

Planned Spending	Total Authorities	Actual Spending
6.4	6.4	5.4

Human Resources
2006-2007

Planned Spending	Total Authorities	Actual Spending
31	36	32

CICS assesses achievement of its one-program/one-activity commitments through several performance indicators:

- Number of Conferences Served (see SECTION IV)
- Letters of Appreciation
- Number of Conferences that CICS was able to respond to in 2006-2007
- Number of Conferences Served by Non-Conference support personnel in CICS

Letters of Appreciation:

While there are no formal performance indicators in place to gather this information, appreciation letters are often received from our clients. Of those received, we have chosen the following extracts:

"As you are no doubt painfully aware, each conference has challenges that range from technical problems with equipment to venue issues with space and support services. Your team applied itself so well that if these challenges were present, they were not evident in the quality of their work or the smooth operation of the conference.

Your secretariat team was professional in every definition of the word and on behalf of my provincial and territorial colleagues, I commend you on the quality of your staff and the very fine work they do."

Glenn Hart
Minister of Community Services
Yukon

"Our thanks to each member of the CICS staff for making the 30th Annual Conference a success under very difficult circumstances and tight time constraints. As always, it could not be done without each and every one of the able, talented, patient, and charming CICS staff."

Charles C. Tretter
Executive Director
New England Governors', Inc.

"As lead province for the F/P/T Conferences of Ministers of Health and Deputy Ministers of Health between November 2005 and December 2006, my staff worked closely with many CICS staff and often commented on their professionalism, flexibility and sensitivity to the differences between F/P/T and P/T perspectives. It seems to me that the CICS staff are the unsung heroes of these meetings…"

Nora Kelly
Deputy Minister
Department of Health
New Brunswick

"The support provided by the Canadian Intergovernmental Conference Secretariat is essential to an efficient and effective federal/provincial/territorial conference. Our task as a host jurisdiction was made that much easier by the provision of your services.

We received numerous compliments from delegates about how well organized the meetings were and how meaningful the substance of the sessions were to the various councils. You and your team of professional conference staff were an integral part of our departmental planning team. Thank you for taking care of so many of the technical and administrative details that made these conferences such a success."

R.P. Bailey
Deputy Minister
Environment and Natural Resources
Northwest Territories

Number of Conferences that CICS was able to respond to in 2006-2007

In 2006-2007, CICS was able to serve all senior level federal-provincial-territorial and provincial-territorial meetings requested by our clients.

Number of Conferences Served by Non-Conference support personnel in CICS

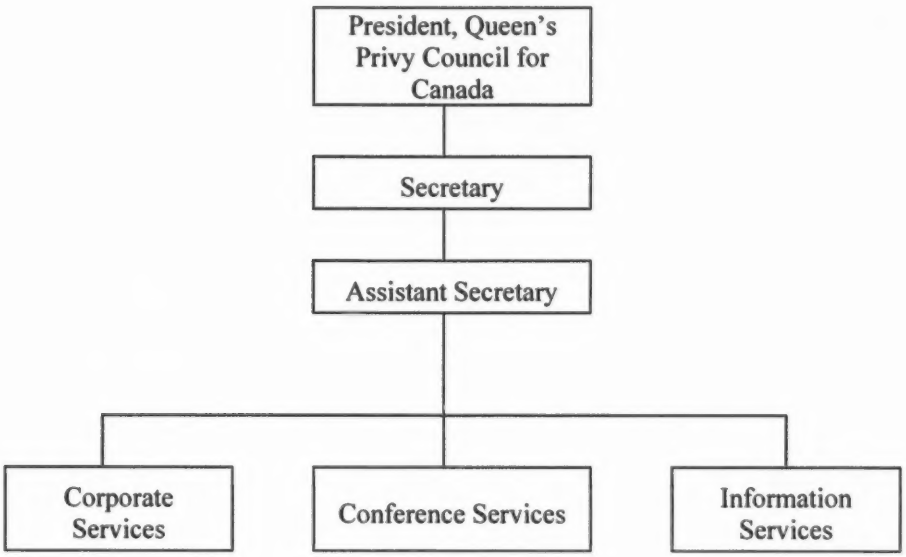
Of the 115 conferences served in 2006-2007, one was served entirely by non-conference personnel (individuals employed in other sectors of the Secretariat but also trained to serve conferences). These individuals are called upon to assist Conference Services at specific times of the year when demand for CICS services reaches a peak period.

SECTION III – SUPPLEMENTARY INFORMATION

Organizational Information

The CICS is an agency of both the federal and provincial governments and, as such, acts as a neutral intergovernmental body. Its budget is supported by both orders of government and its staff includes both federal and provincial public servants. The Secretary reports to all governments annually. The operations are reviewed by federal and provincial senior officials designated by their respective First Ministers. The CICS reports to Parliament through the President of the Queen's Privy Council for Canada.

CICS Organization Structure



CICS services include pre-conference planning and coordination; the set-up of conference site facilities; secretaryship; interpretation; the translation, printing, distribution and control of documents; media relations; security; and the provision of technical equipment and secretarial and technical assistance which includes informatics.

In addition to the above conference services which are available anywhere in Canada, a document archives is maintained by the Secretariat for the use of governments. The Secretariat has also its world wide web site containing not only pertinent information on the organization and its activities but most importantly, conference communiqués released immediately after the close of major conferences we serve.

Table 1: Comparison of Planned Spending to Actual Spending (incl. FTE)

($ millions)

	2004-2005 Actual	2005-2006 Actual	2006-2007			
			Main Estimates	Planned Spending	Total Authorities	Actual
Canadian Intergovernmental Conference Secretariat	**5.6**	**5.4**	**6.4**	**6.4**	**6.4**	**5.4**
Less: Non-Respendable revenue	1.1	1.1	1.1	1.1	1.1	1.2
Plus: Cost of services received without charge	0.5	0.5	0.6	0.6	0.6	0.6
Net cost of Agency	**5.0**	**4.8**	**5.9**	**5.9**	**5.9**	**4.8**
Full Time Equivalents	**31**	**31**	**36**	**31**	**36**	**32**

Table 2: Resources by Program Activity

($ millions)

2006-2007				
	Budgetary			
Program Activity	**Operating**	**Total: Gross Budgetary Expenditures**	**Less: Respendable Revenue**	**Total: Net Budgetary Expenditures**
Canadian Intergovernmental Conference Secretariat				
Main Estimates	6.4	6.4	1.1	5.3
Planned Spending	*6.4*	*6.4*	*1.1*	*5.3*
Total Authorities	6.4	6.4	1.1	5.3
Actual Spending	*5.4*	*5.4*	*1.2*	*4.2*

Table 3: Voted and Statutory Items

($ millions)

		2006-2007			
Vote or Statutory Item	**Canadian Intergovernmental Conference Secretariat**	**Main Estimates**	**Planned Spending**	**Total Authorities**	**Total Actuals**
5	Operating expenditures	6.0	6.0	6.1	5.0
(S)	Contributions to employee benefit plans	0.4	0.4	0.3	0.3
	Total	**6.4**	**6.4**	**6.4**	**5.3**

Table 4: Services Received Without Charge

($ millions)

	2006-2007
Accommodation provided by Public Works and Government Services Canada	0.4
Contributions covering employers' share of employees' insurance premiums and expenditures paid by Treasury Board of Canada Secretariat (excluding revolving funds). Employer's contribution to employees' insured benefits plans and associated expenditures paid by TBS	0.2
Total 2006-2007 Services received without charge	**0.6**

Table 5: Source of Non-Respendable Revenue

($ millions)

	Actual 2004-2005	Actual 2005-2006	2006-2007			
			Main Estimates	Planned Revenue	Total Authorities	Actual
Canadian Intergovernmental Conference Secretariat						
Transfer payments from other governments (See Table 5a)	1.1	1.1	1.2	1.2	1.2	1.2
Miscellaneous Revenues	0.0	0.0	0.0	0.0	0.0	0.0
Total	**1.1**	**1.1**	**1.2**	**1.2**	**1.2**	**1.2**

Table 5(A): Provincial Contributions Towards CICS' Budget

Financial Table - Provincial Contributions Towards CICS' Budget (000's)

	Population Census 2001	2006 – 2007							2007 - 2008
		Main estimates			Contribution payment received				To be subtracted
	%	Co-shared [2] Amount	Less : Budget Lapse 2005-2006	Projected Contri-bution	Co-shared [2] Amount	Less : Budget Lapse 2005-2006	Total Billed	Actual [3] Contri-bution	Budget [4] Lapse 2006-2007
Total Budget/*Expenditures*		6,432.0	(920.9)	5,511.1	6,432.0	(920.9)	5,511.1		(1,167.5)
Less : Federal Share [1]		3,870.0	(731.9)	2,988.6	3,870.1	(731.9)	2,988.6		(1,006.7)
Total Provincial Share		2,562.0	(189.0)	2,522.5	2,562.0	(189.0)	2,522.5		(160.8)
Newfoundland and Labrador	1.7	43.6	(3.2)	40.4	43.6	(3.2)	40.4	40.4	(2.7)
Nova Scotia	3.0	76.9	(5.7)	71.2	76.9	(5.7)	71.2	71.2	(4.8)
New Brunswick	2.4	61.5	(4.5)	57.0	61.5	(4.5)	57.0	57.0	(3.8)
Prince Edward Island	0.5	12.8	(1.0)	11.8	12.8	(1.0)	11.8	10.5	0.0
Quebec	24.2	620.0	0.0	620.0	620.0	0.0	620.0	131.3	0.0
Ontario	38.2	978.7	0.0	978.7	978.7	0.0	978.7	355.6	0.0
Manitoba	3.7	94.8	0.0	94.8	94.8	0.0	94.8	94.8	(5.9)
Saskatchewan	3.3	84.5	(6.4)	78.1	84.5	(6.4)	78.1	78.1	(5.3)
Alberta	9.9	253.6	(18.7)	234.9	253.6	(18.7)	234.9	234.9	(15.9)
British Columbia	13.1	335.6	0.0	335.6	335.6	0.0	335.6	95.0	0.0
Total	100.0	2,562.0	(39.5)	2,522.5	2,562.0	(39.5)	2,522.5	1,168.8	(38.4)

Notes :

1 Federal share includes 50% of operational budget/*expenditure* plus, employee benefit plans for federal employees, translation costs, tenant services, capital and revenue shortfalls resulting from the non-payment or partial payment by the provinces of their respective share.

2 Provincial contributions are per capita, based on the 2001 population census.

3 Revenue shortfalls resulting from the non-payment or partial payment by the provinces are automatically absorbed by the federal government.

4 Budget lapse is the result of difference between amount invoiced and share based on actual 2006-2007 expenditures.

Table 6: Resource Requirement by Branch or Sector

($ millions)

Canadian Intergovernmental Conference Secretariat	Main Estimates	Total Planned Spending	Total Authorities	Actual
Executive Branch	0.3	0.3	0.3	0.3
Conference Services	4.6	4.6	4.4	3.7
Information Services	0.9	0.9	0.9	0.8
Corporate Services	0.6	0.6	0.6	0.6
Total	**6.4**	**6.4**	**6.4**	**5.4**

Table 7: Unaudited Financial Statements of CICS

Unaudited Financial Statements of

CANADIAN INTERGOVERNMENTAL CONFERENCE SECRETARIAT

Year ended March 31, 2007

Canadian Intergovernmental Conference Secretariat (CICS)
Management Responsibility for Financial Statements

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2007 and all information contained in this report rests with the Canadian Intergovernmental Conference Secretariat (CICS) management. For the purpose of this document, CICS will be referred to as the Agency.

These financial statements have been prepared by management in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment and gives due consideration to materiality. To fulfil its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the Agency's financial transactions. Financial information submitted to the *Public Accounts of Canada* and included in the *Departmental Performance Report* is consistent with these financial statements.

Management maintains a system of financial management and internal control designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are in accordance with the *Financial Administration Act*, are executed in accordance with prescribed regulations, within Parliamentary authorities, and are properly recorded to maintain accountability of Government funds. Management also seeks to ensure the objectivity and integrity of data in its financial statements by careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate division of responsibility, and by communication programs aimed at ensuring that regulations, policies, standards and managerial authorities are understood throughout the Agency.

The financial statements of the Agency have not been audited.

André M. McArdle, Secretary
Ottawa, Canada
August 13, 2007

Mara Indri-Skinner
Assistant Secretary and
Senior Financial Officer
Ottawa, Canada
August 13, 2007

CANADIAN INTERGOVERNMENTAL CONFERENCE SECRETARIAT

Statement of Operations (unaudited)

For the Year ended March 31, 2007

	($ Dollars)	
	2007	2006
Expenses		
Salaries and employee benefits	**$2,711,483**	$2,573,839
Transportation and communication	**1,033,289**	1,179,779
Rentals	**1,064,172**	928,842
Professional and special services	**731,427**	797,740
Amortization of tangible capital assets	**141,464**	154,846
Utilities, materials and supplies	**109,509**	98,632
Repairs and upkeep	**91,165**	92,787
Information	**23,848**	37,748
Gain (loss) on disposal of tangible capital assets	**1,263**	0
Miscellaneous	**9**	0
Total Expenses	**$5,907,629**	$5,864,213
Revenue		
Provincial contributions	**$1,168,800**	$1,093,500
Miscellaneous revenue	**416**	348
Total	**$1,169,216**	$1,093,848
Net Cost of Operations	**$4,738,412**	$4,770,365

The accompanying notes form an integral part of these financial statements.

CANADIAN INTERGOVERNMENTAL CONFERENCE SECRETARIAT

Statement of Financial Position (unaudited)

As at March 31, 2007

	($ Dollars)	
	2007	2006
Assets		
Financial Assets		
Accounts receivable and advances (Note 4)	**$234,192**	$111,821
Non-Financial Assets		
Tangible capital assets (Note 5)	**266,123**	286,625
Total	**$500,315**	$398,446
Liabilities		
Accounts Payable and accrued liabilities (Note 6)	**$461,090**	$527,829
Vacation and compensatory leave	**93,153**	86,798
Employee severance benefits (Note 7)	**294,563**	270,006
Total Liabilities	**$848,806**	$884,633
Equity of Canada	**($348,491)**	($486,187)
Total	**$500,315**	$398,446

The accompanying notes form an integral part of these financial statements.

CANADIAN INTERGOVERNMENTAL CONFERENCE SECRETARIAT

Statement of Equity of Canada (unaudited)

For the Year Ended March 31, 2007

	($ Dollars)	
	2007	2006
Equity of Canada, beginning of year	**($486,187)**	($408,611)
Net cost of operations	**(4,738,412)**	(4,770,365)
Current year appropriations used (Note 3b)	**5,282,532**	5,395,129
Revenue not available for spending	**(1,169,216)**	(1,093,848)
Change in net position in the Consolidated Revenue Fund (Note 3c)	**188,863**	(92,165)
Services provided without charge by other government departments (Note 8)	**573,930**	483,673
Equity of Canada, end of year	**($348,490)**	($486,187)

The accompanying notes form an integral part of these financial statements.

CANADIAN INTERGOVERNMENTAL CONFERENCE SECRETARIAT

Statement of Cash Flows (unaudited)

For the year ended March 31, 2007

	($ Dollars)	
	2007	2006
Operating activities		
Net Cost of Operations	**$4,738,412**	$4,770,365
Non-cash items:		
Amortization of tangible capital assets	**(141,464)**	(154,846)
Gain (loss) on disposal of tangible capital assets	**(1,263)**	0
Services provided without charge by other government departments	**(573,930)**	(483,673)
Variations in statement of Financial Position		
Decrease (increase) in accounts payable and accrued liabilities	**66,739**	(59,518)
Increase (decrease) in accounts receivables and advances	**122,371**	(30,701)
Vacation pay and compensatory leave	**(6,355)**	(382)
Employee severance benefits	**(24,556)**	4,684
Cash Used by Operating Transactions	**$4,179,954**	$4,045,929
Capital investment activities		
Acquisition of tangible capital assets	**122,225**	163,187
Financing activities		
Net Cash Provided by Government of Canada	**$4,302,179**	$4,209,116

The accompanying notes form an integral part of these financial statements.

CANADIAN INTERGOVERNMENTAL CONFERENCE SECRETARIAT

Notes to the Financial Statements

For the Year Ended March 31, 2007

1. Authority and objectives

The Canadian Intergovernmental Conference Secretariat (CICS) was designated an Agency within the Government of Canada in November 1973, by an Order-in-Council. The Secretariat is an Agency of the Federal and Provincial governments. The Agency is named in Section II of the Financial Administration Act and reports to Parliament through the President of the Queen's Privy Council for Canada.

The mandate of the Agency is to excel in the planning, conduct and serving of senior intergovernmental conferences. The objective of the program is to relieve client departments, in virtually all sectors of government activity, of the numerous technical and administrative tasks associated with the planning and conduct of such conferences, thereby enabling them to concentrate on the substantive issues. The Agency not only provides services to the federal-provincial-territorial meetings, but as well to provincial-territorial conferences.

2. Summary of Significant Accounting Policies

The financial statements have been prepared in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Significant accounting policies are as follows:

(a) Parliamentary appropriations:
The Agency is financed by the Government of Canada through Parliamentary Appropriations. Appropriations provided to the Agency do not parallel financial reporting according to Canadian generally accepted accounting principles since appropriations are primarily based on cash flow requirements. Consequently, items recognized in the statement of operations and the statement of financial position are not necessarily the same as those provided through appropriations from Parliament. Note 3 provides a high-level reconciliation between the bases of reporting.

(b) Net Cash Provided by Government:
The Agency operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by the Agency is deposited to the CRF and all cash disbursements made by the Agency are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements including transactions between departments of the federal government.

Notes to the Financial Statements

(c) Change in net position in the Consolidated Revenue Fund (CRF):
The net change in the CRF is the difference between the net cash provided by Government and appropriations used in a year, excluding the amount of non-respendable revenue recorded by the Agency. It results from timing differences between when a transaction affects appropriations and when it is processed through the CRF.

(d) Revenues:

Revenue relating to the provincial support of the operations of the Agency is recognized in the period in which the funds are received.

Other revenues are accounted for in the period in which the underlying transaction or event occurred that gave rise to the revenues.

(e) Expenses:
Expenses are recorded on the accrual basis.

Vacation pay and compensatory leave are expensed as the benefits accrue to employees under their respective terms of employment.

Services provided without charge by other government departments for accommodation, the employer's contribution to the health and dental insurance plans are recorded as operating expenses at their estimated cost.

(f) Employee future benefits

i. Pension benefits: Eligible employees participate in the Public Service Superannuation Pension Plan, a multiemployer plan administered by the Government of Canada. The Agency's contributions to the Plan are charged to expenses in the year incurred and represent the total departmental obligation to the Plan. Current legislation does not require the Agency to make contributions for any actuarial deficiencies of the Plan.

ii. Severance benefits: Employees are entitled to severance benefits under labour contracts or conditions of employment. These benefits are accrued as employees render the services necessary to earn them. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

Notes to the Financial Statements

(g) Accounts and advances receivable:
These are stated at amounts expected to be ultimately realized; a provision is made for receivables where recovery is considered uncertain.

(h) Tangible capital assets:
All tangible capital assets having an initial cost of $2,000 or more are recorded at their acquisition cost. The Agency does not capitalize intangibles, works of arts and historical treasures that have cultural, aesthetic or historical value, assets located on Indian reserves and museum collections.

Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the asset as follows:

Furniture, furnishings and office equipment	5 years
Informatics hardware	3 years

(i) Contingent liabilities:
Contingent liabilities are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur and a resonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

(j) Measurement uncertainty:
The preparation of these financial statements in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable.
The most significant items where estimates are used are the liability for employee severance benefits and the useful life of tangible capital assets. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

CANADIAN INTERGOVERNMENTAL CONFERENCE SECRETARIAT

3. Parliamentary Appropriations

The Agency receives most of its funding through annual Parliamentary appropriations. Items recognized in the statement of operations and the statement of financial position in one year may be funded through Parliamentary appropriations in prior, current or future years. Accordingly, the Agency has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

(a) Reconciliation of net cost of operations to current year appropriations used:

	($ Dollars)	
	2007	2006
Net cost of operations	**$4,738,412**	$4,770,365
Adjustments for items affecting net costs of operations but not affecting appropriations:		
Add (less): Services provided without charge by other government departments	**(573,930)**	(483,673)
Amortization of tangible capital assets	**(141,464)**	(154,846)
Revenue not available for spending	**1,169,216**	1,093,848
(Loss) gain on disposal of tangible capital assets	**(1,263)**	0
Vacation pay and compensatory leave	**(6,355)**	(382)
Employee Severance Benefits	**(24,556)**	4,684
Other	**247**	1,946
Sub-Total	**$5,160,307**	$5,231,942
Adjustments for items not affecting net cost of operations but affecting appropriations:		
Add (less): Acquisitions of tangible capital assets	**122,225**	163,187
Current year appropriation used	**$5,282,532**	$5,395,129

(b) Appropriations provided and used

	($ Dollars)	
	2007	2006
Vote 5 - Operating expenditures	**$6,098,000**	$5,893,000
Statutory amounts	**352,013**	354,731
Less: Lapsed appropriations: Operating	**(1,167,481)**	(852,602)
Current year appropriation used	**$5,282,532**	$5,395,129

(c) Reconciliation of net cash provided by Government to current year appropriations used	($ Dollars)	
	2007	2006
Net cash provided by Government	**$4,302,179**	$4,209,116
Revenue not available for spending	**1,169,216**	1,093,848
Sub-Total	**$5,471,395**	$5,302,964
Change in net position in the Consolidated Revenue Fund		
Increase (decrease) in accounts receivable and advances	**($122,371)**	$30,701
Increase (decrease) in accounts payable and accrued liabilities	**(66,739)**	59,518
Other adjustments	**247**	1,946
Sub-Total	**($188,863)**	$92,165
Current year appropriations used	**$5,282,532**	$5,395,129

4. Accounts Receivable and Advances

	($ Dollars)	
Receivables and advances	**2007**	2006
Receivables from other Federal Government departments and agencies	**$127,392**	$97,182
Receivables from external parties	**95,000**	2,039
Employee advances	**11,800**	12,600
Total	**$234,192**	$111,821

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5. Tangible Capital Assets

				($ Dollars)	
				Balance March 31, 2007	
Cost	Balance April 1, 2006	Additions	Disposals	**2007**	2006
Furniture, Furnishings and Office Equipment	$201,823	$33,923	$0	**$235,746**	$201,823
Informatics Hardware	933,168	88,302	115,957	**905,513**	933,168
Total Cost	$1,134,991	$122,225	$115,957	**$1,141,259**	$1,134,991

				($ Dollars)	
				Balance March 31, 2007	
Accumulated Amortization	Balance April 1, 2005	Amortization	Disposals	**2007**	2006
Furniture, Furnishings and Office Equipment	$109,586	$32,391	$0	**$141,977**	$109,586
Informatics Hardware	738,780	109,073	114,694	**733,159**	738,780
Total Amortization	$848,366	$141,464	$114,694	**$875,136**	$848,366

	($ Dollars)	
	Balance March 31, 2007	
Net Book Value	**2007**	2006
Furniture, Furnishings and Office Equipment	**$93,769**	$92,237
Informatics Hardware	**172,354**	194,388
Total Net Book Value	**$266,123**	$286,625

Amortization expenses for the year ended March 31, 2007 amounted to $141,464 ($154,846 for 2005-2006).

6. Accounts Payable

	($ Dollars)	
Accounts Payable	**2007**	2006
Ongoing - external parties	**$168,956**	$326,978
Salaries and wages	**113,038**	81,575
Other government departments and agencies	**179,096**	119,276
Total	**$461,090**	$527,829

7. Employee Benefits

(a) Pension benefits: The Agency's employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Quebec Pension Plans benefits and they are indexed to inflation.

Both the employees and the Agency contribute to the cost of the Plan. The 2006-07 expense amounts to $352,013 ($354,731 in 2005-06), which represents approximately 2.2 times the contributions by employees.

The Agency's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

(b) Severance benefits: The Agency provides severance benefits to its employees based on eligibility, years of service and final salary. These severance benefits are not pre-funded. Benefits will be paid from future appropriations. Information about the severance benefits, measured as at March 31, is as follows:

	($ Dollars)	
	2007	2006
Accrued benefit obligation, beginning of year	**$270,006**	$274,690
Expense for the year	**24,556**	5,961
Benefits paid during the year	**0**	(10,645)
Accrued benefit obligation, end of year	**$294,562**	$270,006

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8. Related party transactions

The Agency is related as a result of common ownership to all Government of Canada departments, agencies, and Crown corporations. The Agency enters into transactions with these entities in the normal course of business and on normal trade terms. Also, during the year, the Agency received services which were obtained without charge from other Government departments as presented in part (a).

(a) Services provided without charge

During the year, the Agency received without charge from other government departments, accommodation and the employer's contribution to the health and dental insurance plans. These services without charge have been recongnized in the Agency's Statement of Operations as follows:

	($ Dollars)	
	2007	2006
Accommodation	**$373,130**	$314,173
Employer's contribution to the health and dental insurance plans	**200,800**	169,500
Total	**$573,930**	$483,673

The Government has structured some of its administrative activities for efficiency and cost-effectiveness purposes so that one department performs these on behalf of all without charge. The costs of these services, which include payroll and cheque issuance services provided by Public Works and Government Services Canada are not included as an expense in the department's Statement of Operations.

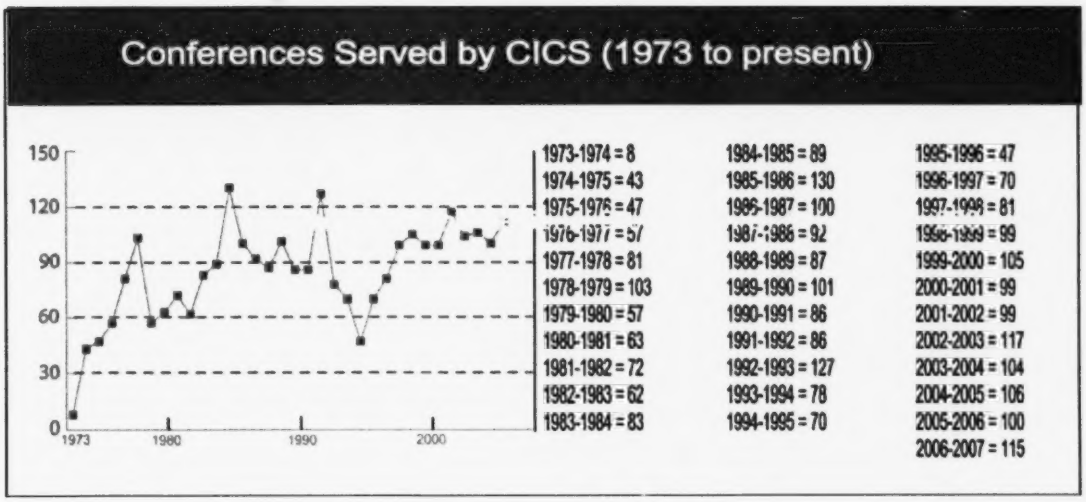
(b) Payables and receivables at year-end with related parties:

	($ Dollars)	
	2007	2006
Account receivables with other government departments and agencies	**$127,392**	$97,182
Accounts payable to other government departments and agencies	**$179,096**	$119,276

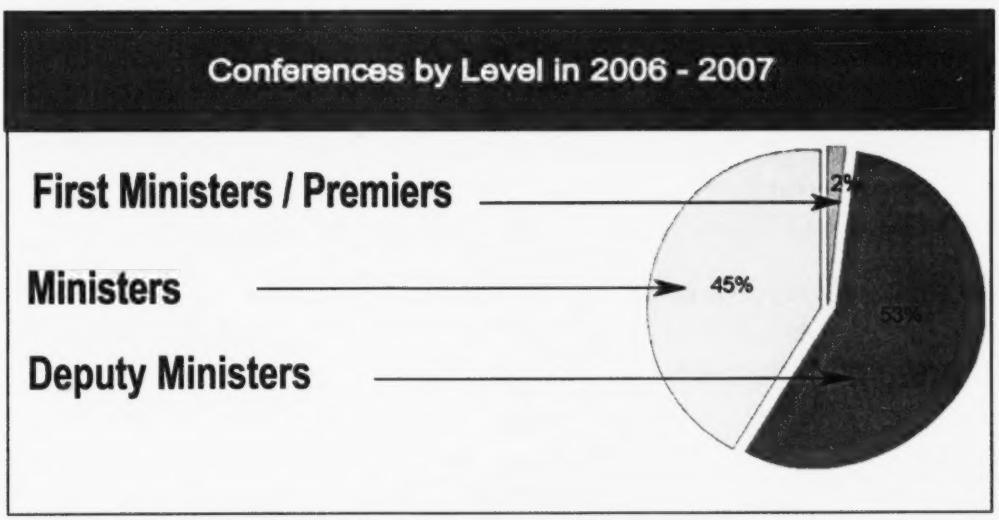
SECTION IV – OTHER ITEMS OF INTEREST

Conference Related Statistics

The number of conferences served by the Secretariat in the 2006-2007 fiscal year was 115. With this total CICS has maintained an average of over 100 conferences served for the last eight years.



The Secretariat provided services in 2006-2007 to 2 meetings (2% of total served) at the Premiers' and Territorial Leaders' level. CICS also provided its support to 52 Ministerial conferences (representing 45% of all meetings served in 2006-2007) and to 61 Deputy Ministerial conferences (53%).



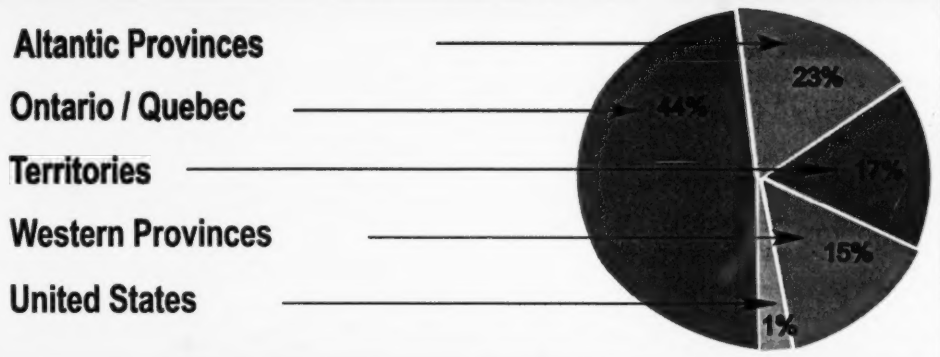
As can be seen from the following table, the most active sectors in terms of number of conferences were Human Resources and Social Services including Labour which met 11 times in 2006-2007 followed closely by Natural Resources with 10 conferences and Heritage meeting 9 times in 2006-2007.

Conferences Served by CICS - From April 1, 2006 to March 31, 2007

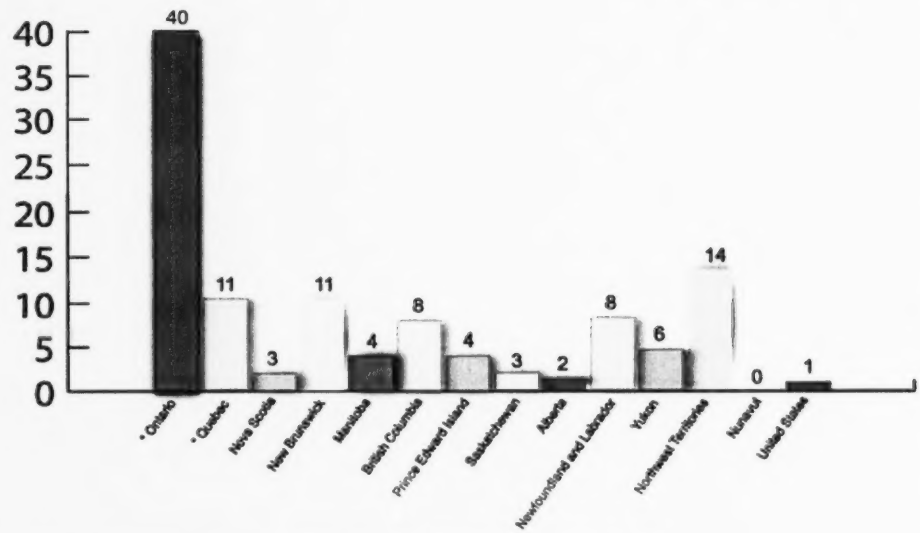
Sector	First Ministers	F-T Ministers	F-T Deputy Ministers	FPT Ministers	FPT Deputy Ministers	Premiers	P-T Ministers	P-T Deputy Ministers	Total
Agriculture				2			2		4
Citizenship and Immigration				1	1				2
Education * (Canadian Education Statistics Council (CESC) – 1) * (FPT DMs' Meeting on Financial Assistance to Students – 2)					3*		2	2	7
Emergency Preparedness				1	1		1	1	4
Environment (includes Joint Forest, Wildlife, Endangered Species, Fisheries & Aquaculture, Joint Canadian Councils of Resource Ministers and Canadian Council of Ministers of the Environment and Ministerial Forum for Regional Energy and Environmental Solutions)				3	4		1		8
Finance (includes Intergovernmental Budget Conference)					1				1
Fisheries (includes Aquaculture)				2	4				6
Health (includes Health Retreat, and Canada Northwest Fetal Alcohol Spectrum Disorder Partnership)				3	2		2	1	8
Heritage (includes Francophone Affairs, Parks and Public Libraries)				4	2		1	2	9
Housing								1	1
Human Resources and Social Services (includes Labour, Seniors, Retreat on Child Welfare, Labour Market Ministers and Labour Legislation)				3	4		1	3	11
Industry (includes Tourism, Innovation and Consumer Affairs)				1	2			1	4
Intergovernmental Affairs						2			2
Justice (includes Chief Coroners and Chief Medical Examiners, and Public Safety)				1	2		1	4	8
Local Government							2	2	4
Natural Resources (includes Renewable Fuels, Mines, Energy, Forest and Intersessional Meeting of the Council of Energy Ministers)				5	4		1		10
Northern Development				1					1
Public Works & Government Administration (includes Public Service Commissioners)					2				2
Sports and Recreation				2	4		3		9
Status of Women				2	2		1	2	7
Trade (see industry)				2					2
Transport				1	4				5
Total	**0**	**0**	**0**	**34**	**42**	**2**	**18**	**19**	**115**

On a regional basis, in 2006-2007, CICS served 17 meetings in Western Canada (15% of the total), 18 meetings in Atlantic Canada (23%), 11 and 3 conferences in Ontario and Quebec respectively (which includes the National Capital Region) (44%) and 20 meetings in the territories (17%). In addition, the CICS has served an International event with the New England Governors and Eastern Canadian Premiers which represents 1% of our business volume.

Provincial and Regional Breakdown by % in 2006 - 2007



Conferences Served by Location in 2006-2007



* Conferences held in the National Capital Region (Ontario 16 and Quebec 7)

References

List of Agency Reports

CICS Reports on Priorities and Planning

2006-2007 http://www.scics.gc.ca/pubs/rpp_e06_07.pdf

2005-2006 http://www.scics.gc.ca/pubs/rpp_e05_06.pdf

2004-2005 http://www.scics.gc.ca/pubs/rpp_e04_05.pdf

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2005-2006 http://www.scics.gc.ca/pubs/dpr2005-2006_e.pdf

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2003-2004 http://www.scics.gc.ca/pubs/2003e_perfor.pdf

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Reports to Governments

2005-2006 http://www.scics.gc.ca/pubs/rep_gov_2005_06_e.pdf

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2003-2004 http://www.scics.gc.ca/pubs/rep_gov_2003_04_e.pdf

First Ministers' Conferences

1906-2004 http://www.scics.gc.ca/pubs/fmp_e.pdf

Premiers' Conferences

1887-2002 http://www.scics.gc.ca/pubs/premiers_report_e.pdf
Addendum http://www.scics.gc.ca/pubs/premiers_addendum2003_e.pdf

CICS website: www.scics.gc.ca

Contact for further information

Mara Indri-Skinner
Assistant Secretary
Telephone: (613) 995-2344
E-mail: mindriskinner@scics.gc.ca